

## **Summary of Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 as amended – February 2004**

### **Findings and declarations**

It is necessary and in the public interest to:

- Secure and safeguard the state's water supply
- Provide safe, clean, affordable, and sufficient water supply
- Provide adequate funding for balanced implementation of Bay-Delta Program
- Establish and facilitate integrated regional water management systems and procedures
- Improve practices with watersheds
- Protect urban communities from drought, increase supplies of clean drinking water, reduce dependence on imported water, reduce water pollution, and provide fish and wildlife habitat
- Further California ability to live within its 4.4 MAF/yr Colorado River apportionment
- Protect, restore, and acquire beaches and coastal uplands, wetlands, and watershed lands along the coast and in San Francisco Bay.

Definitions – include the following:

- Desalination Project – Includes construction, planning, engineering, design, environmental assessments, or related work necessary for the construction of a desalination facility, or the construction of a pilot or demonstration facility.
- Disadvantaged Community – A community with an annual median household income that is less than 80 % of the statewide annual median household income.
- Matching Funds – Funds made available by non-state sources which may include, but are not limited to, donated services from non-state sources. Matching funds for a state agency may include state funds and services.
- Northern California – Those counties not included in the definition of Southern California.
- Southern California – Counties of San Diego, Imperial, Riverside, Orange, Los Angeles, San Bernardino, Santa Barbara, and Ventura.

### **Intent**

- Administered and executed in the most expeditious manner possible
- State, regional, and local officials implement to the fullest extent of their authority
- Water facility projects shall be designed and constructed to improve the security and safety of the state's drinking water system
- The investment in public funds should result in public benefits

## Legislative directions

The Legislature (SB 1049, Committee on Budget and Fiscal Review, Statutes of 2003) in acknowledgement of the current fiscal crisis requires that Proposition 50 be administered in the most cost-efficient manner consistent with ensuring public participation in the development of program guidelines and outreach and technical assistance to communities throughout the state. This will be done by the following methods:

- Agencies responsible for the development of guidelines, technical assistance and reports pursuant to those sections shall use electronic communication, including publication of information on the Internet.
- Agencies shall determine the timing for development of guidelines and shall use any and all other efficiencies necessary to provide a public process for grant application and awards.

The Legislature also acknowledged that is necessary and desirable that the following principles apply to Proposition 50:

- Guidelines developed for grant and loan programs pursuant to that act shall encourage integrated, multiple-benefit projects.
- Preference shall be given to funding safe drinking water and water quality projects that serve disadvantaged communities.
- Programs shall support projects that improve local and regional water supply reliability.
- For projects that affect water quality:
  - Preference shall be given to those projects that contribute expeditiously and measurably to the long-term attainment and maintenance of water quality standards.
  - Preference shall be given to funding projects that will eliminate or significantly reduce pollution into impaired waters and sensitive habitat areas, including areas of special biological significance.
  - The project shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including, but not limited to, the surface water ambient monitoring program carried out by the SWRCB.
- Groundwater projects and projects that affect groundwater shall include groundwater monitoring requirements consistent with the Groundwater Quality Monitoring Act of 2001, Part 2.76 (commencing with Section 10780) of Division 6 of the Water Code.

Other overarching direction provided in the Proposition 50 language includes:

- Prior to disbursing grants and prior to finalize guidelines, conduct 2 public meetings (1 in Northern California & 1 in Southern California) to consider public comments on the project solicitation and evaluation guidelines.
- To the extent feasible, provide outreach to disadvantaged communities to promote access and participation in these public meetings.

- Post draft project solicitation and evaluation guidelines on internet 30 day before the public meetings.
- Transmit adopted project solicitation and evaluation guidelines to Legislature.
- Provide technical assistance for the preparation of grant or loan applications to address the needs for disadvantage communities.
- Activities funded shall be in compliance with CEQA.
- Watershed protection activities shall be consistent with applicable the adopted local watershed management plan and applicable regional water quality control plans adopted by the RWQCB.
- Watershed protection activities in the San Gabriel and Los Angeles river watersheds shall be consistent with the San Gabriel and Los Angeles Watershed and Open Space Plan upstream of the northernmost boundary of the City of Vernon.
- Specific financial obligations are included.

#### Guideline Content Guidance

- May include a limitation on the size of awards
- May include a requirement for matching funds
- May not require matching funds for disadvantaged communities, except for certain projects (Desalination & Contaminant Removal and Integrated Regional Water Management funded by the SWRCB)
- In lieu of adopting project solicitation and evaluation guidelines may use guidelines existing on January 1, 2004

## Specific Appropriations

AMOUNT	PROGRAM	AGENCY
\$50 million	<p>Protecting state, local, and regional drinking water systems from terrorist attack or deliberate acts of destruction or degradation.</p> <p>DHS shall consult with Office of Emergency Services, the State Office of Homeland Security, and local water agencies to develop program criteria.</p> <p>Grant funds can not reimburse costs incurred prior to adoption of grant criteria and may not supplant routine responsibilities or obligations of any state, local, or regional drinking water system.</p>	<p>Department of Health Services (DHS)</p> <p>§79520 CH. 3 Water Security</p>
\$435 million	<p>Grants and loans for infrastructure improvements and related actions to meet safe drinking water standards, including:</p> <ul style="list-style-type: none"> <li>• Grants – small communities drinking water system to upgrade monitoring, treatment, or distribution infrastructure</li> <li>• Grants – development &amp; demonstration of new contaminant treatment &amp; removal technologies</li> <li>• Grants – water quality monitoring facilities &amp; equipment</li> <li>• Grants – drinking water source protection</li> <li>• Grants – treatment facilities to meet disinfectant by-product standards</li> <li>• Loans – Safe Drinking Water State Revolving Fund</li> </ul> <p>Not less 60% (\$261 million) for grants to Southern California water agencies to assist in reducing Colorado River water use to 4.4 maf/yr and will assist in meeting safe drinking water standards.</p> <p>Consolidated competitive grants process</p> <p>Grant awards limited to \$10 million/project</p> <p>Develop grant criteria in consultation with Office of Environmental Health Hazard Assessment for specific contaminants.</p>	<p>DHS</p> <p>§79530 CH. 4 Safe Drinking Water</p>
\$100 million	<p>Statewide competitive Grants for:</p> <ul style="list-style-type: none"> <li>• Water pollution prevention</li> <li>• Water reclamation</li> <li>• Water quality improvement</li> <li>• Water quality blending &amp; exchange projects</li> <li>• Drinking water sources protection projects</li> <li>• Mitigation of pathogen risks from recreation at water storage facilities</li> </ul> <p>Priority for projects that assist in meeting water quality standards established by the SWRCB.</p> <p>Must comply with the Watershed, Clean Beaches, and Water Quality Act.</p>	<p>SWRCB</p> <p>§79540 CH. 5 Clean Water and Water Quality</p>
\$100 million	<p>Acquisition from will sellers, restoration, protection, and development of river parkways allocated in accordance with the River Parkway Program.</p> <p>Priority for projects implemented pursuant to an approved watershed plan &amp; that include water quality and watershed protection benefits.</p> <p>May be used to acquire facilities to improve downstream water quality.</p>	<p>Secretary of the Resources Agency (Secretary)</p> <p>§79541 CH. 5</p>
\$40 million	<p>Acquisition from will sellers, restoration, and protection of land and water resources to improve water quality in Lake Tahoe</p>	<p>California Tahoe Conservancy</p> <p>§79542 CH.5</p>

AMOUNT	PROGRAM	AGENCY
\$100 million	<p>Expenditures, grants, and loans for projects that restore and protect the water quality and environment of coastal waters, estuaries, bays and near-shore waters, and groundwater, consistent with the Coastal Non-Point Source Program.</p> <p>Not less than \$20 million for priority actions in the Santa Monica Bay Restoration Plan.</p> <p>Funds to supplement, not supplant, the Coastal Non-Point Source Program.</p>	<p>SWRCB</p> <p>§79543 CH. 5</p>
\$30 million	<p>Grants to local public agencies, local water districts, and nonprofit organizations for the acquisition from willing sellers of land and water resources to protect water quality in lakes, reservoirs, rivers, streams, and wetlands in the Sierra Nevada-Cascade Mountain Region.</p>	<p>Secretary</p> <p>§79544 CH. 5</p>
\$100 million	<p>Statewide competitive grants for the following projects:</p> <ul style="list-style-type: none"> <li>• Desalination of ocean or brackish waters</li> <li>• Pilot and demonstration projects for the treatment or removal of a list of specified contaminants</li> <li>• Drinking water disinfecting projects using ultraviolet technology and ozone treatment</li> </ul> <p>Not less the \$50 million for desalination projects and eligible projects must provide 50% matching funds or donated services from non-state sources.</p> <p>Projects selected based on demonstrated need for new or alternate water supplies, project readiness, and the degree which the project avoids or mitigates adverse environmental impacts.</p> <p>Preference given to projects with ecosystem restoration or water quality benefits.</p> <p>Grant awards limited to \$5 million/project</p>	<p>DWR</p> <p>§79545 CH. 6 Contaminant and Salt Removal Technologies</p>
\$825 million	<p>Expenditures and grants for:</p> <ul style="list-style-type: none"> <li>• \$50 million for surface water storage planning and feasibility studies</li> <li>• \$75 million for water conveyance facilities specified in §79190(d)(2)(B) of the California Water Code (CWC)</li> <li>• \$70 million for Delta levee restoration</li> <li>• \$180 million for water supply reliability projects</li> <li>• \$180 million for ecosystem restoration program implementation with no less than \$20 million for projects to assist farmers in integrating agricultural activities with ecosystem restoration</li> <li>• \$90 million for watershed program implementation</li> <li>• \$180 million for urban and agricultural water conservation, recycling, and other water use efficiency projects</li> </ul> <p>All appropriation shall include money for independent scientific review, monitoring, and assessment. All projects shall be consistent with the CALFED Programmatic Record of Decision. Priority shall be given to projects that achieve multiple benefits across CALFED program elements.</p> <p>Real property will be acquired from willing sellers</p> <p>Water supply reliability projects include groundwater management and storage, water transfers, and acquisitions of water for the environmental water account (EWA). Projects must be implemented expeditiously and provide near-term benefits – provide benefits no later than March 8, 2009. Local agencies located in the delta export service areas eligible grant recipients. Grant awards approved by the Governor. For FY 2004-05 and beyond, not less than 50% of the water acquisition funds will be expended for long-term water purchase contracts, permanent water rights, and associated costs. Annual reports by the California Bay-Delta Authority to the Legislature on acquisition of long-term purchase contracts and permanent water rights.</p> <p>Not more than 5% of the funds may be used for administrative costs</p>	<p>For the balanced implementation of the CALFED Bay-Delta Program</p> <p>§79550 CH. 7 CALFED Bay-Delta Program</p>

AMOUNT	PROGRAM	AGENCY
\$500 million	<p>Joint DWR &amp; SWRCB competitive grant program for projects to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. Water management projects must include at least 1 of the following elements:</p> <ul style="list-style-type: none"> <li>• Programs for water supply reliability, water conservation, and water use efficiency.</li> <li>• Storm water capture, storage, treatment, and management.</li> <li>• Removal of invasive non-native plants, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands.</li> <li>• Non-point source pollution reduction, management, and monitoring.</li> <li>• Groundwater recharge and management projects.</li> <li>• Contaminant and salt removal through reclamation, desalting, and other treatment technologies.</li> <li>• Water banking, exchange, reclamation, and improvement of water quality.</li> <li>• Planning and implementation of multipurpose flood control programs that protect property; and improve water quality, storm water capture and percolation; and protect or improve wildlife habitat.</li> <li>• Watershed management planning and implementation.</li> <li>• Demonstration projects to develop new drinking water treatment and distribution methods.</li> </ul> <p>On-stream surface water storage facilities or off-stream storage other than urban groundwater recharge percolation ponds are not eligible. Negative environmental impacts from river or stream channel modifications projects must be fully mitigated and prior to award DWR or SWRCB must determine whether the environmental impacts will be fully mitigated. Mitigation or environmental enhancement costs are eligible costs.</p> <p>Prior to developing program guidelines DWR &amp; SWRCB will hold a public meeting to solicit input on program scope, procedures, and content of the solicitation and evaluation guidelines which will be developed jointly and will be posted on each agency's web site. SWRCB will use the procedures developed for the Santa Ana Watershed Program to establish procedures to selecting projects.</p> <p>DWR shall establish standards for integrated regional water management plans (IRWMP), which at a minimum address major water related objectives and conflicts of the watersheds in the region covered by the plan, including water supply, groundwater management, ecosystem restoration, and water quality elements. DWR grants shall be made to projects that are consistent with an adopted IRWMP, but consistency may be waived until January 1, 2007 if the applicant is in the process of developing an IRWMP. SWRCB grants shall be made to project that are consistent with an adopted IRWMP which is designed to improve regional water supply reliability, water recycling, water conservation, water quality improvement, storm water capture and management, flood management, recreation and access, wetlands enhancement and creation, and environmental and habitat protection and improvement.</p> <p>DWR &amp; SWRCB will give preference to groundwater management and recharge projects which meet groundwater management plan requirements or include development of such a plan.</p> <p>DWR shall require that projects include matching funds which may be waived for disadvantaged communities. SWRCB shall require matching funds or donated services from non-state sources.</p> <p>SWRCB shall fund the development of at least one integrated coastal watershed management plan.</p> <p>Grant awards limited to \$50 million for a single grant. Not less than 40% of funds shall be awarded to Northern California and not less than 40% of the funds shall be awarded to Southern California. SWRCB funds shall comply with the Integrated Watershed Management Program. Funds are split 50% to DWR and 50% to SWRCB with the following set asides:</p> <ul style="list-style-type: none"> <li>• DWR – \$250 million, with not less than \$20 million to competitive grant awards for groundwater management and recharge projects to enhance water supply in rapidly growing areas of the state (counties with a population increase of 2.4% or more in 2002) with limited access to imported water. Of the \$20 million, \$10 million is to be award to Northern California and \$10 million to Southern California, with preference given to projects outside of the Metropolitan Water District of Southern California that are infill projects within 1 mile of established residential and commercial development.</li> <li>• SWRCB - \$250 million with not more than \$50 million for comprehensive statewide groundwater monitoring.</li> </ul>	<p>DWR and SWRCB</p> <p>\$79560 CH. 8 Integrated Regional Water Management</p>

AMOUNT	PROGRAM	AGENCY
\$140 million	Grants for the acquisition from willing sellers of land and water resources, including acquisition of conservation easements, to protect regional water quality, protect & enhance fish & wildlife habitat, and to assist local public agencies in improving regional water supply reliability.	Wildlife Conservation Board (WCB) §79565 CH. 8
\$20 million	Grants for canal lining and related projects necessary to reduce Colorado River water use pursuant to the California Colorado River Water Use Plan adopted by the Colorado River Board of California.	DWR §79567 CH. 9 Colorado River
\$50 million	Acquisition, protection, and restoration of land and water resources necessary to meet state obligations for regulatory requirements related to California's allocation of water supplies from the Colorado River.  Funds may not be used to supplant or pay for regulatory mitigations obligations of private parties.  All real property will be acquired from willing sellers.	WCB  §79568 CH. 9
\$200 million	Expenditures and grants for protecting coastal watersheds as follows: <ul style="list-style-type: none"> <li>• \$120 million – State Coastal Conservancy (CC) for coastal watershed protection</li> <li>• \$20 million – CC for the San Francisco Bay Conservancy Program for coastal watershed protection</li> <li>• \$40 million – Santa Monica Mountains Conservancy split as follows: <ul style="list-style-type: none"> <li>○ \$20 million for protection of the Los Angeles watershed upstream of the northernmost boundary of the City of Vernon and</li> <li>○ \$20 million for protection of the Santa Monica Bay and Ventura County coastal watersheds.</li> </ul> </li> <li>• \$20 million – San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for protection of the San Gabriel and Lower Los Angeles watersheds.</li> </ul> 10% of the money allocated in each category will be used for grants to promote public access to and participation in the conservation of land, water, and wildlife resources. Eligible projects include: <ul style="list-style-type: none"> <li>• Training and research for watershed protection &amp; water conservation conducted by nonprofit organizations with preference give to nonprofits working in collaboration with the University of California &amp; public water agencies</li> <li>• Nature Centers in or adjacent to above-reference watersheds, that provide wildlife viewing, outdoor experiences, and conservation education programs to the public &amp; students, with priority given to projects operated by or in coordination with nonprofit organization and are designed to serve children from urban areas that lack access to natural areas &amp; outdoor education programs.</li> </ul>	Various agencies  §79570 CH. 10 Coastal Watershed and Wetland Protection
\$750 million	Acquisition, protection, and restoration of coastal wetlands, upland areas adjacent to coastal wetlands, and coastal watershed lands in or adjacent to urban areas. Eligible projects are <u>limited</u> to: <ul style="list-style-type: none"> <li>• Acquisition, protection, and restoration of coastal wetlands identified in the CC's Southern California Coastal Wetlands Inventory, as of January 1, 2001 (with limitations) or coastal wetlands identified for acquisition, protection, and restoration in the San Francisco Baylands Ecosystem Habitat Goals Report and upland areas adjacent to those wetlands.</li> <li>• Acquisition, protection, and restoration of coastal watershed and adjacent lands located in Los Angeles, Ventura, and Santa Barbara Counties. Projects in the Santa Monica Mountains Zone will be funded by a grant from the WCB to the Santa Monica Mountains Conservancy. Projects in the Baldwin Hills area will be funded by a grant from the WCB to the Baldwin Hills Conservancy.</li> </ul> Not less than \$300 million shall be expended or granted for projects in Los Angeles and Ventura Counties. With the remaining funds the WCB shall give priority to the acquisition of at least 100 acres of upland mesas adjacent the state ecological reserved in the Bolsa Chica wetlands, Orange County.  Not more than \$200 million may be expended or granted to projects in the San Francisco Bay area and any project in the San Francisco Bay area may be funded by a grant from the WCB to the CC.  Purchase prices are not to exceed the fair market value of the property with the fair market value determined by an appraisal by a licensed appraiser & approved by the WCB and the Department of General Services.  All real property will be acquired from willing sellers.	WCB  §79572 CH. 10